



**MCI Communications  
Corporation**

1801 Pennsylvania Avenue, NW  
Washington, DC 20006  
202 887 2993  
FAX 202 887 2676  
Keith.Seat@MCI.com

EX PARTE OR LATE FILED

**Keith L. Seat**

Senior Counsel for Competitive Strategies  
Federal Law and Public Policy

RECEIVED

APR 09 1999

April 9, 1999

**By Hand Delivery** FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
The Portals  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

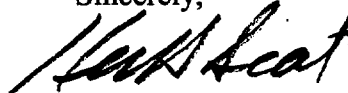
Re: Ex Parte Submission in CC Docket No. 97-231; CC Docket No. 97-121; CC  
Docket No. 97-208; CC Docket No. 97-137; CC Docket No. 98-121

Dear Ms. Salas:

Enclosed is a copy of a letter transmitted today to Chairman William Kennard and others listed below on the central principles of independent third-party OSS testing.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(b) of the Commission's rules.

Sincerely,

  
Keith L. Seat

cc: Hon. William E. Kennard  
Hon. Susan Ness  
Hon. Harold Furchtgott-Roth  
Hon. Michael Powell  
Hon. Gloria Tristani  
Kathryn Brown, Esq.  
Lawrence Strickling, Esq.  
Robert Atkinson, Esq.



**MCI Communications  
Corporation**

1801 Pennsylvania Avenue, NW  
Washington, DC 20006  
202 887 3351  
FAX 202 887 2446

**Jonathan B. Sallet**  
Chief Policy Counsel

April 9, 1999

By Fax and Hand Delivery

The Honorable William E. Kennard  
Chairman, Federal Communications Commission  
The Portals  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Chairman Kennard:

Implementation of the Telecommunications Act of 1996 has focused increasing attention on the importance of independent third-party testing of incumbent local exchange companies' (ILECs') Operations Support Systems (OSS). This letter briefly sets forth the central principles of independent third-party testing that are vital to ensure that testing helps open local markets to competition for the benefit of consumers, rather than harming competition by failing to identify roadblocks and endorsing systems that in fact do not work.

We encourage the Federal Communications Commission, the Antitrust Division of the Department of Justice (DOJ) and state commissions to provide leadership on this critical issue by encouraging the implementation of OSS tests that rely on (i) a neutral, independent third-party who (ii) actually conducts a comprehensive test that (iii) demonstrates the ability of all types of new entrants to operate at commercial volumes to (iv) provide a full range of products through unbundled network elements and UNE-Platform (v) using all OSS functions in the versions that new entrants will actually use. These basic principles underlying thorough third-party OSS testing are briefly explained below.

**1. Neutral, Independent Third Party.** While it should be self-evident, the first principle is that the third party chosen to conduct the test must in fact be neutral and independent. The value of third-party testing can only be achieved if that party is credible and its evaluation will be seen as objective and unbiased.<sup>1</sup>

---

<sup>1</sup>For example, the Texas state commission chose Bellcore (now known as Telcordia) as the third party for its OSS test, despite concerns raised by MCI WorldCom and others that

**2. Conduct Test, Not Just Monitor It.** In order for the third party to determine the adequacy of the ILEC systems and determine whether competitive local exchange carriers (CLECs) can adequately connect with them, it is necessary for the third party to go through the actual steps to develop and conduct the test, not merely to review work done by others. At the same time, it is highly desirable for CLECs to be permitted to test alongside the third party to confirm and validate the third party's results, or to provide supplemental information based on actual customer experience that would not otherwise be knowable by the third party due to the constraints of the test environment.<sup>2</sup>

**3. Demonstrate All Types of New Entrants Can Operate at Commercial Volumes.** The Act contemplates that new entrants will use various entry strategies, so the third-party test should ensure that the ILEC's OSS is able to support each strategy at commercial volumes. For example, small or niche CLECs may prefer to use less expensive systems (i.e., GUI), while larger competitors need application-to-application interfaces (i.e., EDI). Limiting testing will discourage competition using the untested methods, in effect substituting an incumbent's or regulator's judgment about desirable strategies in place of determinations that should be made in a competitive marketplace.

**4. Cover Full Range of Products Using Unbundled Network Elements and UNE-Platform.** The third-party test should cover a full range of products (both voice and data) using various service delivery methods, specifically including unbundled elements and UNE-Platform. As noted above, arbitrary limitations on testing will distort the proper functioning of the marketplace.

**5. Test All OSS Functions and the OSS Versions that Actually Will Be Used.** Finally, it is critical that all OSS functions (i.e., pre-order, ordering and provisioning, billing,

---

Bellcore had a serious conflict of interest based on extensive business relationships with SBC. In fact, SBC and Bellcore initially proposed that the contract for OSS testing be made an addendum to the current "master contract" between the two parties. SBC indicated a month ago that Bellcore is working on OSS test issues pursuant to a letter of intent, but MCI WorldCom has not been able to obtain a copy.

<sup>2</sup>In New York, MCI WorldCom was able to test OSS ordering functions alongside the third party (KPMG), and was able to assist KPMG in uncovering problems that would not otherwise have been found in the test environment. For example, the severe problem of differing business rules among Bell Atlantic's various locations was not discovered apart from MCI WorldCom's testing because the data Bell Atlantic provided to KPMG was clean and did not cause any problems during the initial third-party testing. After MCI WorldCom alerted the third party to this problem, however, KPMG confirmed its existence.

repair and maintenance) be tested,<sup>3</sup> and that the versions which actually will be used in the marketplace be tested. Incumbents must not be allowed to game the process by testing one version and then promptly migrate to a different version leaving new entrants unable to operate or compete. Nor can incumbents be allowed to prevent competition by blocking CLEC access to any critical function, such as pre-order. The purpose of independent third-party testing is not to engage in unnecessary regulatory processes, but to encourage irreversible local competition for the benefit of consumers. Accordingly, the ILEC's change management procedures must be thoroughly tested to ensure that inevitable systems changes can be accomplished without disrupting competition.

\* \* \* \* \*

The Commission (along with DOJ and state commissions) should act now to ensure that third-party testing is conducted in a meaningful fashion, because this issue is subject to increasing attention around the country. Numerous states are currently engaged in carrying out third-party testing, designing tests, or considering whether to proceed with testing. New York has been involved in independent third-party testing for months, while third-party supervised testing began in Texas on April 1 for unbundled loops, even though a master test plan has yet to be finalized. Massachusetts and Pennsylvania are both on the path to conduct third-party tests in the near future, and California has obtained input from interested parties and is actively considering what sort of process to require, with a final decision expected this month. Moreover, MCI WorldCom and other CLECs have pending petitions in both Georgia and Florida proposing third-party testing in those states.

MCI WorldCom has long viewed actual commercial-scale entry to be the best evidence that a local market is truly open to competition. While ILEC intransigence has deterred such entry, the Commission has concluded that appropriate testing can be a helpful substitute for real commercial experience. If the Commission is to rely on testing, however, it should be rigorous and comprehensive. Thorough OSS testing may provide useful evidence of whether an ILEC's OSS is ready for new entrants, and will help identify and resolve problems that might stand in the way of local competition. For example, in New York, the ongoing third-party test has identified over forty notable problems with Bell Atlantic's OSS, as well as aiding in the resolution of numerous other issues. There can be no doubt that, in the absence of the independent test, each of the OSS problems in New York would have blocked or handicapped local competition.<sup>4</sup> This

---

<sup>3</sup>It is important for any third party test to evaluate and audit Bell Operating Company performance reports and methodology, because of the reliance that will be placed on the reports in deciding section 271 applications, and in preventing subsequent backsliding.

<sup>4</sup>To give just one critical example from New York, the third-party testing found that Bell Atlantic's specifications for EDI were inconsistent with Bell Atlantic's business rules, as well as inconsistent with the actual behavior of Bell Atlantic's systems (KPMG Exception Report No. 25). This would affect any effort to compete locally, because it impacts key areas such as

would have been the situation if, for example, regulators had taken at face value Bell Atlantic's Coopers & Lybrand testing, which enthusiastically endorsed the OSS that independent testing subsequently has found so fraught with problems. Before a third-party test ends, it is vital that all OSS deficiencies identified during the course of testing, whether uncovered by the third party or identified by CLECs and validated by the third party, be remedied by the incumbent and that appropriate regression testing (to ensure the fixes did not cause yet other problems) is conducted.

We continue to believe that in measuring whether a market is irreversibly open to competition, there is no substitute for real commercial experience. But when conducted according to the principles discussed above, independent third-party testing provides great benefits for all interested parties. First, the independent testing greatly assists regulators by providing a credible third party to assess the viability of complex technical systems. This permits both state and federal regulatory staffs to become immersed in far fewer of the arcane details required to determine the workings of highly detailed and intricate technical systems. It also helps keep regulators out of the middle of endless "he-said she-said" debates, and provides useful evidence on which commissions may base their decisions.

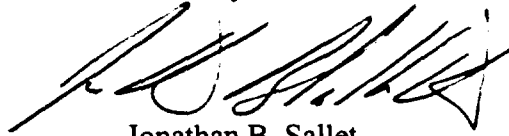
Second, independent testing gives Bell Operating Companies (BOCs) an opportunity to demonstrate credibly whether the local markets in their regions are open to competition with workable OSS. Independent testing may be the quickest path to section 271 authorization for BOCs when their systems are ready and other legal requirements are met. Next, third-party testing helps competitors seeking to enter local markets by ensuring that the OSS does in fact work and that new entrants will not be blocked by inadequate systems. Vibrant local competition is, after all, the goal of section 271 and all the effort to ensure that local markets are open. Finally, and most important, independent third-party testing will significantly benefit consumers by moving the process forward more quickly, so that they can more promptly obtain the many benefits of competition.

---

processing orders, address validation, error messages, telephone number reservations, scheduling and availability of service, loop qualification, and feature service availability. By contrast, in the Texas OSS test, no one is testing SBC's documentation, so comparable problems would go undetected. The third party (Telcordia) is merely overseeing limited testing by CLECs, which were initially able to build ordering system interfaces only with the ongoing assistance of the PUC.

We encourage you to provide leadership in the ongoing debate surrounding independent third-party testing, and would be pleased to discuss these important principles, along with the underlying details, at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan B. Sallet', with a stylized, sweeping flourish at the end.

Jonathan B. Sallet  
Chief Policy Counsel

cc: Hon. Susan Ness  
Hon. Harold Furchtgott-Roth  
Hon. Michael Powell  
Hon. Gloria Tristani  
Kathryn Brown, Esq.  
Lawrence Strickling, Esq.  
Robert Atkinson, Esq.